# REMARKS

Claims 25-37 are pending.

Claims 25-37 are rejected.

Claims 29-30 and 34 are objected to.

No claims are amended or cancelled.

No new matter is added.

Applicant requests reconsideration and allowance of the claims in light of the following remarks.

## *Double Patenting*

Claims 29-30 and 34 are objected to under 37 CFR 1.75 as being a substantial duplicate of claims 27-28 and 33.

Applicant respectfully traverses the objections.

Claims 27 and 29 each recite a different claim limitation, thus not a substantial duplicate of each other. For example, claim 27 recites "a fixed amount" while claim 29 recites "a fixed rate." Applicant respectfully submits that one skilled in the art will appreciate that the meaning of the terms "amount" and "rate" are not so close, as is the case throughout the specification. Also, for these reasons, claims 28 and 30, which respectively depend from claims 27 and 29, are not substantial duplicates. In addition, claims 33 and 34 are not duplicate or so close, requiring a double patenting rejection.

Therefore, applicant respectfully requests that the objection of claims 29-30 and 34 under double patenting be removed.

## *Claim Rejections – 35 USC § 103*

Claims 25-26, 28, 30-32, and 35-37 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,014,643 to Minton ("Minton") in view of U.S. Patent No. 4,674,044, Kalmus et al. ("Kalmus").

Applicant respectfully traverses the rejections.

In the previous official action, with respect to claim 25, the Examiner cites portions of the references but does not tie the cited teachings to the specific claim elements. Instead, review of the cited portions of the references shows the prior art does not teach or suggest the claimed combinations. For example, the Examiner has acknowledged that Minton does not explicitly teach or disclose, "(e) immediately after one of the selling order and the purchase

order is contracted, the computer system, without an intervention by the user, generating and placing another purchase order and another selling order for trade according to the automatic trade condition; and; (g) the computer system repeating the process e); wherein the selling order in each of the processes (d) and (e) is higher than the contracted price in each of the processes (d) and (e), and the purchase order price in each of the processes (d) and (e) is lower than the contracted price in each of the processes (d) and (e). (Action at page 4).

The Examiner then points to Kalmus as teaching theses steps [Abs; Figures 2-5; C1 L5 to C2 L9; C4 L22-L50; C5 L60 to C8 L20] to provide an improved date processing based system for implementing an automated trade market for one or more securities.

However, upon close review, such portions of Kalmus teach or suggest nothing about the above limitations of claim 25. In fact, the Abstract merely states that

> "Data processing based apparatus makes an automated trading market for one or more base, covering the ensemble of institutions or others making a market for the relevant securities. Data characterizing each securities buy/sell order requested by a customer is supplied to the system. *The order is qualified for execution by comparing its specifics against predetermined stored parameters.* The stored parameters include the operative bid and asked prices, the amount of stock available for customer purchase or sale, and maximum single order size. *Once qualified, the order is executed and the appropriate parameters are updated.* The system provides inventory (position) control and profit accounting for the market maker. *Finally, the system reports the executed trade details to the customer*, and to national stock price reporting systems. Upon a change in the quoted price for a security, the system updates all relevant qualification parameters." (Emphasis added)

Nothing in this abstract teaches or discloses the above recited limitations of claim 25, among other things, "computer system, without an intervention by the user, generating and placing another purchase order and another selling order for trade according to the automatic trade condition." Applicant notes the use of the term "finally" after the order is executed.

Also, with respect Figures 2-5, FIG. 2 is merely identified as a flow chart illustrating data processing for qualifying an order for execution; FIG. 3 is only a flow chart illustrating data processing for order execution and accounting; FIGS. 4 and 4A are flow charts illustrating data processing for inventory and profit updating; and FIG. 5 is a flow chart of data processing upon a change in insider market price of a security. Nothing in Figures 2-5 teaches or discloses the limitations recited above, e.g., "computer system, without an intervention by the user, generating and placing another purchase order and another selling order for trade according to the automatic trade condition."

Further, the other portions of Kalmus cited by the Examiner as teaching the above limitations of claim 25, i.e., , i.e., C1 L5 to C2 L9; C4 L22-L50; C5 L60 to C8 L20, do not teach or suggest the claimed invention recited in claim 25. The Kalmus system merely retrieves and compares the orders for execution, not generating any order for the next transaction. In Kalmus, after execution, the system merely *updates* all relevant order qualification parameters, but does not generate orders. See, for example, col. 1, line 57 - col. 2, line 8; col. 4, lines 23-25; col. 4, lines 60-68; col. 5, lines 5-10 of Kalmus. In this respect, C1 L5 to C2 L9 basically teaches what the abstract of Kalmus teaches. See C1 L55 to C2 L9. And the same is true for C4 L22-L50; C5 L60 to C8 L20 of Kalmus.

In addition, Minton does not teach or suggest the limitations of step (b) including the automatic trade condition. Also, Figure 12; C3 L1-L16; C8 L8-L21; C14 L46 to C14 L25 of Minton do not teach or suggest the step (d). Although the Examiner has stated that "it is known that the orders are executed after the orders are entered and immediately after accepted by second trader," it still does not teach or suggest, "the *computer system*, without an intervention by the user, generating and placing a purchase order and a selling order for trade according to the automatic trade condition immediately after the initial trade order has been contracted." (Emphasis added) This is particularly true because the above statement or assumption of the Examiner is silent as to who generates the subsequent order after the initial trade order has been contracted.

For the these reasons, the rejection does not present a prima *facie case* of obviousness and, therefore, claim 25 is allowable and claims 26-28 and 30, which depend there from, are allowable for their dependency and their own merits. For example, as discussed above, there is no teaching in Minton regarding the generation of an automatic trade order from the automatic trade table. Also, independent claim 37 is allowable at least for the reasons discussed above.

With respect to claim 31, the Examiner states that "Neither Minton nor Kalmus explicitly disclose a target profit rate, and calculating a profit rate from the completed contracts before repeating the process (e); comparing the calculated profit with the target profit rate; and the computer system stopping the automatic trading if the target profit is obtained...However, limit order inherits this feature." On the contrary, the term "limit order" merely means an order which cannot be executed immediately due to the current price of the

security and the price at which the order was placed. See. Col. 9, lines 30-35 of Minton. Thus, Minton does not inherit the feature recited in claim 31.

With respect to claim 32, the Examiner has argued that claim 32 is substantially the same as claim 25 and it is rejected with the same rational as claim 25. However, claim 32 recites *different limitations* such as "when immediately after the initial order is contracted, the computer system automatically, without an intervention by the user, generating and placing *both* new sell order and new purchase order through the data communication network according to the automatic trade condition, the sell order being at a price higher than the contracted price for the initial order and the purchase order being at a price lower than the contracted price for the initial order." (Emphasis added)

However, none of the cited references, either alone or in combination, teach or suggest the above limitations, e.g., "when immediately after the initial order is contracted, the computer system automatically, without an intervention by the user, generating and placing *both* new sell order and new purchase order through the data communication network according to the automatic trade condition." (Emphasis added) Therefore, the rejection does not establish a *prima facie* case of obviousness, as the rejection does not show all of the limitations, "generating...both new sell order and new purchase order," of claim 32 in addition to the reasons discussed with respect to the rejection of claim 25. See MPEP 2143.03, which states that "To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art." At least for these reasons, claim 32 is allowable and claims 35-36, which depend from allowable claim 32, are allowable for their dependency and their own merits discussed above.

Claims 27, 29 and 33-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Minton and Kalmus as applied to claims 26 and 32 above, and further in view of U.S. Patent No. 5,297,031, Gutterman et al. ("Gutterman").

Applicant respectfully traverses the rejections.

With respect to claims 27, 29 and 33-34, the Examiner has correctly stated that "Neither Minton nor Kalmus discloses wherein the automatic trade condition generates selling and purchase order prices increased or decreased by a fixed amount from the previously generated order." Then, the Examiner has argued that "Gutterman discloses this step [C10 L14-L60; C4 L21 to C5 L20] to establish a spread position and take a profit. It would have been obvious at the time the invention was made to a person having ordinary skill

in the art to modify the disclosure of Minton and Kalmus, and include selling and purchase order prices increased or decreased by a fixed amount from the previously generated order, as disclosed by Gutterman, *to allow customer to place order* to establish or liquidate positions as the market moves up or down." (Emphasis added)

In Gutterman, the term "Spreads" is explained as follows: "Spreads" may be established at a fixed difference rather than at specified prices because the spreader is concerned only with the difference rather than the level. He may therefore *order his broker to* "buy one July pork bellies and sell one February bellies at 80 points difference or more, premium February." See col. 4, lines 56-65 of Gutterman.

As explained before, in the present invention, stock trade orders can be repeatedly and automatically *generated*, without further input after initial input by investors.

However, in Gutterman, as hinted by the above (See emphasis), the Gutterman invention merely allows the customer, *not* the computer, to place an order after the initial order. See col. 3, lines 40-67. Nowhere does Gutterman teach or suggest the relationship between the initial order and the subsequent order at a price *increased or decreased from the previously generated or initial order*. (Please note that, in the present invention, the subsequent order is triggered by the execution of the initial order, or proceeding without intervention of the user.) Thus, even if Gutterman is combined with Minton or Kalmus, it would not teach or suggest the claimed invention recited in claim 27, which depends from claim 25, reciting, among other things, "the computer system, without an intervention by the user, generating and placing a purchase order and a selling order for trade according to the automatic trade condition immediately after the initial trade order has been contracted, or "wherein the automatic trade condition generates selling and purchase order prices increased or decreased by a fixed amount from the previously generated orders."
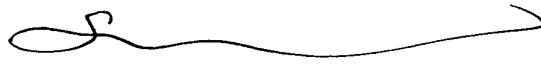
Accordingly, the rejection does not present a *prima facie* case of obviousness. Therefore, applicant respectfully requests the allowance of claims 27, 29 and 33-34.

## In Conclusion

For the foregoing reasons, reconsideration and allowance of claims 25-37 of the application as amended is solicited. The Examiner is encouraged to telephone the undersigned at (503) 222-3613 if it appears that an interview would be helpful in advancing the case.
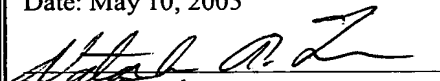
Respectfully submitted,

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